

**IN THE SPECIFICATION**

Please amend the abstract as follows:

**ABSTRACT OF THE DISCLOSURE**

**EMBEDDING DATA IN MATERIAL**

A spatial domain using image  $I$  produced by a source  $S$  is combined with watermark data  $R_i$  to produce a spatial domain watermarked image  $I'$ . The watermarked image is produced by an embedder  $E$  according to the equation:  $C_i' = C_i + \alpha \cdot R_i$ , where  $C_i$  and  $C_i'$  are wavelet transform coefficients of the image, and  $\alpha$  is a scaling factor.  $\alpha$  is chosen so that the watermark is imperceptible in the image and to resist removal of the watermark by unauthorized processing. It is desirable that  $\alpha$  has the smallest value, which achieves that. If  $\alpha$  is too big the watermark is perceptible in the image. If  $\alpha$  is too small the mark may not survive processing of the image.

~~$\alpha$  is determined from a trial decoding of the image  $I$  in a decoder 4. the decoding is that which would be used to decode the watermarked image  $I'$ . A value  $\alpha'$  is produced by a calculator S3-S8, to which an offset value is added by an adder S9 to produce  $\alpha$ . This produces values of  $\alpha$  over the image, which are used to scale the data  $R_i$  so as to conceal the data. An image is one example of material to which the invention is applicable.~~

~~The step of producing modified coefficient values  $C_i$  may not use coefficients of magnitude greater than a threshold  $T$  and does not use corresponding information symbols  $R_i$ .~~

~~Alternatively, a threshold  $T_{clip}$  may be set. The scaling factor  $\alpha$  is calculated using clipped  
coefficient values and coefficients  $C_i$  of magnitude less than  $T_{clip}$ .~~

**{Figure 1}**